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Approved by:
Ed Porter
U.S.Embassy

Prepared by:
EP/NK

Report Highlights:
The Polish government has strongly opposed biotechnology, but there is growing optimism it may permit the limited use of biotech for feed and bio-fuel production. While farmer interest in biotech cultivation is growing, consumers remain strongly opposed to biotech food products. It is unlikely this situation will change anytime soon.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Warsaw [PL1]
[PL]

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I. Executive Summary

With the exception of some animal feed sales, the United States currently has little biotechnology trade with Poland. However, there is strong interest in marketing biotech seeds in the country and Poland is a major EU member state and could influence EU biotech policy. How the EU perceives biotechnology could impact U.S. biotech trade elsewhere in the world.

There is genuine government and public concern about the safety and need of biotech products in Poland. Consequently, the government has banned the sale and registration of biotech seeds and eventually could make biotech cultivation virtually impossible. There are some signs, however, that officials are reconsidering their anti-biotech policies and could permit the limited use of biotech for feed and bio-fuel production. Farmer interest in biotech cultivation also is growing, but consumers remain strongly opposed to biotech food products and it is doubtful this situation will change anytime soon.

II. Biotechnology Trade and Production

Current

Poland currently does not produce any biotech crops with the possible exception of minor quantities grown for research purposes. This is due primarily to the government's anti-biotech policies, public opinion, a lack of biotech seeds of commercial interest to Polish farmers and a lack of knowledge about biotech among the farming community. Poland annually imports about 1.5 to 2.0 MMT of soybean meal, most of which is produced from biotech soybeans, primarily for the poultry industry. While the majority of these imports are from Argentina, much also originates from EU countries and much of these EU imports originate from the United States.

Potential

According to a 2005 study (1) that examined the potential commercial farm level impact of using biotech crops, Polish farmers that adopt biotechnology "have the potential to gain more from adoption than their EU-15 counterparts because they are starting from a lower average level of technical efficiency (e.g., in terms of average levels of weed control)." The report adds that biotech offers Polish farmers a means to narrow their productivity gap with EU-15 farmers and "compete more effectively, and earlier than they might otherwise have been capable of, if they did not use GM technology."

The study reports that at the national level gross farm income would increase between $84 million and $154 million. At the farm level, there would be substantial increases in average gross profit of up to $98/ha for corn, $170/ha for oilseed rape and $450/ha for sugar beet.

The report focused on three crops important to Poland, oilseed rape, sugar beet and corn, and the two most popular biotech traits, herbicide tolerance and insect resistance (Bt). Since biotech crops are not commercially grown in Poland, the report used a combination of desk research and analysis of Polish agronomic, economic, scientific and trials data, as well as, feedback to informal questionnaires from specialists and the local research community.

III. Biotechnology Policy

Brief Overview

For the most part, Poland follows EU directives regulating agricultural biotechnology, especially biotech food use and trade-including labeling and traceability. Those regulations known to differ from EU directives are more restrictive than EU requirements. While the importation of biotech animal feed and cultivation of biotech crops are currently permitted, in early 2006, the government announced that it would work to ban biotech from Polish agriculture and strictly regulate research. Although the government continues to pursue this policy, there are hints of a softening in its anti-biotech position. Consequently, there is a strengthening consensus within agricultural circles that the government may permit the cultivation of biotech crops, but for feed and bio-fuel production only.

Regulatory Framework

Biotech legislation is drafted by the appropriate ministry, determined by the topic, and submitted to the Council of Ministers for approval. Once approved by the Council, the legislation is sent to Parliament for approval by both houses. Either house may amend the legislation, but both houses must approve the final bill. The legislation is then sent to the President for signature.

Below is a list of the key government agencies responsible for formulating and enforcing biotech regulations and their primary responsibilities, as presented in draft biotech legislation currently being discussed within the government:

Ministry of Environment: the primary ministry for biotech issues; responsible for approving research, import and local trade permits and for preparing a “National Strategy for Biological Safety” and associated activity plan.

Ministry of Agriculture: responsible for seed registration, planting permits, drafting coexistence and liability regulations, enforcement of regulations governing feed and seeds, and inspection of food and feed products.

Ministry of Health: responsible for medical products.

Main Sanitary Inspectorate: under the Ministry of Health; responsible for food inspection and rules governing work hygiene and environmental conditions in biotech engineering institutions.

Plant Breeding and Acclimatization Institute: designated as the main biotech reference laboratory; under the Ministry of Agriculture.

Biotech Committee: currently being reorganized. Under the new legislation, it will have a four-year term (unchanged), still report to the Ministry of Environment and consist of 13 members, six from various ministries and seven experts nominated by the Ministry of Science. The new committee, however, will only have advisory responsibility, where as the previous committee had authority to approve applications for research, trade and cultivation. In addition, consumer and non-government organization representatives are missing from the new committee.

Political Considerations

The debate over biotechnology in Poland is highly emotional. Many Poles believe the introduction of biotech production would destroy the natural, safe and wholesomely produced reputation they believe Polish food enjoys throughout the EU. Government officials largely credit this reputation for the rapid growth of Polish agricultural exports to other EU countries. In addition, many people passionately believe biotech will drive small farmers (90 percent of Polish farms are less than 6 acres in size) out of business, ruining Poland's rural heritage. Many parliamentarians, who themselves are small farmers, support these views. It was the lower house of Parliament that modified the Ministry of Agriculture's draft seed legislation to include a ban on the sale and registration of biotech seed, disregarding the opinion of their own legal advisors that the modifications would violate EU directives. Ironically, the Ministry originally drafted the legislation to bring Poland into compliance with EU directives.

At the same time, many government officials and farmers fear a ban on agricultural biotechnology would drive up input costs, especially feed costs, and consequently ruin exports. In addition, there is rapidly growing interest within Poland in bio-fuel production that many believe could benefit significantly from biotechnology. There also is genuine concern among many government officials that Poland must remain in compliance with EU directives. These concerns, recent changes in the Ministry of Agriculture, pressure from farm organizations and growing interest in bio-fuel production could lead to a more pragmatic dialogue among stakeholders and the eventual cultivation of biotech crops in Poland, at least for bio-fuel and feed use.

Pending Legislation

The Polish government is in the process of formulating new legislation governing biotech research and cultivation. Recently approved seed legislation banning the sale and registration of biotech seeds would need to be reconciled with this new legislation. Separate legislation regulating animal feed has already been sent to Parliament for approval and in its present form should not impact biotech feed trade or use.

The new legislation was drafted by the Ministry of Environment and has the potential to prohibit biotech cultivation in Poland. Among its more worrisome requirements are:

- Local government (e.g., county or township) approval is required to plant biotech crops;

- Onerous pre-planting notification requirements;

- Onerous approval and certification requirements; and

- Liability requirements that place the cost of damage from cross contamination of neighboring fields, as well as equipment and harvested crops, squarely on the shoulders of biotech producers.

The legislation tasks the Ministry of Agriculture with drafting coexistence and more comprehensive liability regulations. They will likely be introduced as attachments to the main legislation. (For more information on Poland's biotech legislation, see GAIN report PL6042.)

There is strong opposition to the draft legislation from scientists (including those working for the government), farm groups and the entire feed industry. They fear the legislation's requirements are so onerous that farmers will not attempt to plant biotech crops. The Polish Federation of Biotechnology submitted a lengthy opinion that was scathing in its assessment.

The Federation accuses the legislation of violating EU regulations, discriminating against biotech users and halting the development of biotech materials and energy, two important economic sectors.

Marketing Bans

On March 9, 2006, EU member states approved a Commission proposal to permit Poland to ban the cultivation of 16 varieties of MON810 (as well as some 700 non-biotech corn varieties). The approval was granted on the basis of EC Directive 2002/53/EC which permits a member state to prohibit the use of seed varieties, if they are unsuitable for cultivation in its territory. The ban, which has nothing to do with Poland's new seed legislation, is not expected to have any impact on biotech trade, since none of the banned seeds could be profitably grown in Poland.

On July 1, 2006, Poland's new seed legislation banning the sale and registration (but not planting) of biotech seeds is scheduled to take effect. There is strong concern within the government that the legislation may be inconsistent with EU regulations and may be rescinded. In the meantime, the legislation could prevent the use of new varieties of MON810 approved for cultivation in the EU and not covered by the earlier ban.

Approved Biotech Crops

As an EU member, Poland permits entry of all biotech crops approved by the European Commission, albeit very reluctantly.

Field Testing and Research

Few, if any, biotech field trials or other research related to biotech use in agriculture is currently underway in Poland. In early 2006, the Ministry of Agriculture sent a letter to all heads of ministry research facilities banning nearly all biotech research. Ministry officials are reviewing this decision and it will likely be modified in response to harsh criticism from Poland's scientific community.

IV. Marketing Issues

Polish public opinion remains strongly opposed to biotech foods. A 2005 EU survey (2) revealed that there is a high level of familiarity with biotech foods in Poland, but very low support for them. According to the survey, 73 percent of respondents had heard about biotech foods, but only 23 percent agreed that food biotechnology should be encouraged. For the entire EU, on average, 80 percent of respondents were familiar with biotech foods and 27 percent supported encouragement.

The survey also revealed that EU consumers will remain skeptical of biotech foods until biotech crops and products are seen to have consumer benefits. The survey also found that there are mixed opinions on the acceptability of buying biotech products. The strongest reasons for buying were associated with health and environmental reasons (e.g., reduced pesticide use). Approval by food safety officials and, surprisingly, lower prices do not have a strong influence on a consumer's buying decision regarding biotech foods.

As for farmers, there appears to be growing interest in using biotech seeds for feed and bio-fuel production. According to various contacts, previous interest had been weak due in large part to the government's anti-biotech policy, a lack of biotech seeds that would be economically beneficial to farmers and the absence of a major corn bore problem in Poland. But, these barriers are falling. For example, according to trade contacts, there are four new

Bt corn varieties approved for use in the EU that could benefit Polish farmers, who reportedly are facing a spreading corn bore problem, especially in the southwestern corn producing regions. Discussions with farm groups reveal that a lack of knowledge about biotechnology is an impediment to its acceptance and use. This barrier is also being addressed (see below).

In summary, consumers and many government policy makers oppose the expansion of biotechnology in Poland. Farmers and government officials, however, are showing growing interest in biotechnology for feed and bio-fuel production. Hurdles remain, not the least of which are current and pending regulations. But, there is cautious optimism among biotech supports that in the near future, Poland could permit the limited use of biotech cultivation.

V. Capacity Building and Outreach

Post is working with scientists, government and university officials, and farmer organizations to share the U.S. experience for safely growing biotech crops. Post's primary goal is that Poland remains in compliance with EU and WTO regulations governing agricultural biotechnology. Post will also continue to work with stakeholders to ensure that biotech legislation is not so onerous that it effectively prevents farmer choice of production technology. In March 2006, Post and government officials co-hosted a seminar on coexistence and liability. Targeted at government officials, the seminar was presented by a U.S. professor and a U.S. farmer with experience growing biotech and conventional crops.

We also will continue to educate farmers, extension agents and agricultural students about the benefits of biotechnology. For example, later this year, Post plans to co-host a seminar with a major Polish farmer organization at which U.S. and EU farmers will directly share their experiences growing biotech crops with Polish farmers and extension agents. The seminar will be presented at a major agricultural fair and possibly several other locations in major corn growing regions of Poland. Post also is currently working with university officials to establish a Borlaug Fellows Program for Poland under which biotechnology research will be one of the first activities. With the end of the Cochran Program in Poland, Post will increase its participation in the International Visitors Program to educate policy and opinion makers about the benefits of biotechnology.

While pursing these activities, Post will continue to take care to that its message is targeted at ensuring compliance with existing trade agreements and promoting farmer and consumer choice, not pushing biotech use. Ultimately, the future of biotechnology in Poland must be decided by consumers and farmers based on sound science and the freedom to choose.

VI. Reference Material

1/ The farm level impact of using GM agronomic traits in Polish arable crops. G. Brookes and A. Aniol, March 2005.

2/ Europeans and Biotechnology in 2005: Patterns and Trends, Eurobarometer 64.3, May 2006 (A report to the European Commission's Directorate-General for Research)

Contacts:

Ministry of Environment,
Department of Nature Protection,
Deputy Director Krzysztof Lissowski,
ph. (4822) 579 2289, fax (4822) 579 2555
www.mos.gov.pl

Ministry of Environment,
Department of Nature Protection,
GMO specialist Malgorzata Wozniak,
ph. (4822) 579 2538, fax (4822) 579 2555
www.mos.gov.pl

Ministry of Agriculture and Rural Development,
Department of Plant Breeding and Protection
Deputy Director Wieslaw Podyma
ph. (48-22) 623 2554; fax (4822) 628 8784
www.minrol.gov.pl

Plant Quarantine and Seed Inspection (Ministry of Agriculture),
General Inspector Adam Zych,
ph. (4822) 623 23 02, 623 23 04; fax (4822) 6232304
www.piorin.gov.pl

Main Sanitary Inspection (Ministry of Health),
General Inspector Andrzej Wojtyla,
ph. (4822) 635 1559, fax (4822) 635 6194
http://www.gis.gov.pl/

General Veterinary Inspectorate (Ministry of Agriculture),
Chief Veterinary Officer Dr. Krzysztof Jazdzewski,
ph. (48-22) 628 8511, fax (48-22) 623 1408
www.wetgiw.gov.pl

Plant Breeding and Acclimatization Institute in Radzikow
PL 05-870 Blonie
phone: (+48 22) 725 36 11, fax: (+48 22) 725 47 14 or (+48 22) 731 96 17
e-mail: postbox@ihar.edu.pl
http://www.ihar.edu.pl